

Form 7500

**General Provisions
for Subcontracts
Definitions/Preamble/
Section A**

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LOS ALAMOS
National Laboratory

Los Alamos, NM 87545

LOS ALAMOS NATIONAL LABORATORY FORM 7500

GENERAL PROVISIONS FOR SUBCONTRACTS

TABLE OF CONTENTS

Definition of Terms and Preamble

Section A - Clauses that apply to all Subcontracts

Section B - Clauses that apply to all types of Subcontracts

Section C - Clauses that apply to Fixed-Price Subcontracts

Section D - Clauses that apply to Cost Reimbursement Type Subcontracts

Section E - Clauses for Time and Materials and Labor Hour Subcontracts

Form 7500, Definition of Terms and Preamble

Definitions

As used in this form, the following terms have the meanings stated:

- (a) *Government Contracting Officer* — a representative of the Government with the authority to enter into, administer, and/or terminate Government contracts and make related determinations and findings.
- (b) *DEAR* — The Department of Energy Acquisition Regulation.
- (c) *DOE* — The United States Department of Energy.
- (d) *FAR* — The Federal Acquisition Regulation.
- (e) *Goods* — All tangible property, except land or interest in land, and including tooling, equipment, materials, supplies, etc., required for or produced in the performance of the subcontract.
- (f) *Government* — The government of the United States of America.
- (g) *Subcontract* — A subcontract is a legally binding agreement issued under the Prime Contract and between the University and a third party that contains the essential terms and conditions under which goods or services will be furnished to the Laboratory.
- (h) *“Head of Agency”* — Means The Secretary, Deputy Secretary, or Under Secretary of the United States Department of Energy.
- (i) *Subcontractor* — The party entering into the subcontract with The Regents of the University of California.
- (j) *Lower-tier subcontractor* — An individual or legal entity that has entered into an agreement with a Subcontractor for the delivery of goods or services necessary for the Subcontractor's performance of the subcontract.
- (k) *University* — The Regents of the University of California, a constitutional corporation and instrumentality of the State of California, which operates Los Alamos National Laboratory under Prime Contract W-7405-Eng-36 for the Department of Energy.
- (l) *Contract Administrator* — The representative of the University of California authorized to address contractual issues, and execute and/or administer subcontracts on behalf of Los Alamos National Laboratory.
- (m) *Schedule* — Sections A through G of the subcontract document.

Preamble

- (a) Pursuant to the terms of Contract W-7405-Eng-36, the University has agreed to appropriately treat requirements of federal statutes and Presidential executive orders in procurements using funds provided under the contract. Consequently, many of the standard terms and conditions contained herein are similar to terms and conditions used by federal agencies. However, the University is not a federal agency or instrumentality; the use of similar terms and conditions is only for the administrative convenience of the University.

- (b) The Subcontractor shall furnish the goods and/or services covered by the subcontract subject to all the terms and conditions set forth in the subcontract , which the Subcontractor, in accepting the subcontract, agrees to be bound by and to comply with in all particulars, and no other terms or conditions shall be binding upon the parties unless hereafter accepted by them in writing. Written acceptance of shipment of all or any portion of goods or the performance of all or any portion of the services covered by the subcontract shall constitute unqualified acceptance of all University general provisions. The terms of any proposal referred to in the subcontract are included and made a part of the subcontract only to the extent of specifying the nature of the goods or services ordered, the price therefore, and the delivery thereof, and then only to the extent that such terms are consistent with the general provisions of the subcontract.
- (c) This form incorporates one or more FAR and/or DEAR clauses by reference. The version of the FAR and/or DEAR clause in effect as of the effective date of the subcontract shall apply with the same force and effects as if they were given in full text. Upon request, the contract administrator will make the full text of the clauses available.

Form 7500, Section A

Section A Clauses Apply to All Subcontracts.

Unless specifically cited in the Schedule as not applying or identified in the clause as being self-deleting, the clauses listed below shall apply to all subcontracts into which this document is incorporated.

Clause #	Title	Page #
A1	Affirmative Action for Handicapped Workers	A2
A2	Affirmative Action for Special Disabled and Vietnam Era Veterans	A2
A3	Anti-kickback Procedures	A2
A4	Assignment of Claims	A3
A5	Assignment of Subcontracts	A3
A6	Buy American Act - Supplies	A4
A7	Clean Air and Water	A4
A8	Convict Labor	A4
A9	Covenant Against Contingent Fees	A4
A10	Disputes	A5
A11	Employment Reports on Special Disabled Veterans & Veterans of the Vietnam Era	A6
A12	Equal Opportunity	A6
A13	Foreign Travel	A6
A14	Hazardous Material Identification and Material Safety Data	A6
A15	Limitation on Payments to Influence Certain Federal Transactions	A7
A16	Notice and Assistance Regarding Patent and Copyright Infringement	A11
A17	Notice of Labor Disputes	A11
A18	Officials Not to Benefit	A11
A19	Preference for Privately Owned U.S. - Flag Commercial Vessels	A11
A20	Preference for U.S.-Flag Air Carriers	A13
A21	Printing	A13
A22	Priorities and Allocations	A14
A23	Reporting of Royalties	A14
A24	Required Sources for Jewel Bearings and Related Items	A14
A25	Security	A15
A26	Operations Security Program	A16
A27	Security Procedures	A16

A1, Affirmative Action for Handicapped Workers (Incorporated by Reference) (FAR 52.222-36)

(This clause applies if the subcontract exceeds \$2500.)

A2, Affirmative Action for Special Disabled and Vietnam Era Veterans (Incorporated by Reference) (FAR 52.222-35)

(This clause applies if the subcontract exceeds \$10,000.)

A3, Anti-kickback Procedures

(a) Definitions.

"Kickback," as used in this clause, means any money, fee, commission, credit, gift, gratuity, thing of value, or compensation of any kind which is provided, directly or indirectly, to any prime Contractor, prime Contractor employee, subcontractor, or subcontractor employee for the purpose of improperly obtaining or rewarding favorable treatment in connection with a prime contract or in connection with a subcontract relating to a prime contract..

"Person," as used in this clause, means a corporation, partnership, business association of any kind, trust, jointstock company, or individual.

"Prime contract," as used in this clause, means a contract or contractual action entered into by the United States for the purpose of obtaining supplies, materials, equipment, or services of any kind.

"Prime Contractor" as used in this clause, means a person who has entered into a prime contract with the United States.

"Prime Contractor employee," as used in this clause, means any officer, partner, employee, or agent of a prime Contractor.

"Subcontract" as used in this clause, means a contract or contractual action entered into by prime Contractor or subcontractor for the purpose of obtaining supplies, materials, equipment, or services of any kind under a prime contract.

"Subcontractor," as used in this clause, (1) means any person, other than the prime Contractor, who offers to furnish or furnishes any supplies, materials, equipment, or services of any kind under a prime contract or a subcontract entered into in connection with such prime contract, and (2) includes any person who offers to furnish or furnishes general supplies to the prime Contractor or a higher tier subcontractor.

"Subcontractor employee," as used in this clause, means any officer, partner, employee, or agent of a subcontractor.

(b) The Anti-Kickback Act of 1986 (41 U.S.C. 51-58) (the Act), prohibits any person from-

- (1) Providing or attempting to provide or offering to provide any kickback;
 - (2) Soliciting, accepting, or attempting to accept any kickback; or
 - (3) Including, directly or indirectly, the amount of any kickback in the contract price charged by a prime Contractor to the United States or in the contract price charged by a subcontractor to a prime Contractor or higher tier subcontractor.
- (c) (1) The Subcontractor shall have in place and follow reasonable procedures designed to prevent and detect possible violations described in paragraph (b) of this clause in its own operations and direct business relationships.

- (2) When the Subcontractor has reasonable grounds to believe that a violation described in paragraph (b) of this clause may have occurred, the Subcontractor shall promptly report in writing the possible violation. Such reports shall be made to the inspector general of the contracting agency, the head of the contracting agency if the agency does not have an inspector general, or the Department of Justice.
- (3) The Subcontractor shall cooperate fully with any Federal agency investigating a possible violation described in paragraph (b) of this clause.
- (4) The Contracting Officer may (i) offset the amount of the kickback against any monies owed by the United States under the prime contract and/or (ii) direct that the Prime Contractor withhold from sums owed a subcontractor under the prime contract the amount of the kickback. The Contracting Officer may order that monies withheld under subdivision (c)(4)(ii) of this clause be paid over to the Government unless the Government has already offset those monies under subdivision (c)(4)(i) of this clause. In either case, the Prime Contractor shall notify the Contracting Officer when the monies are withheld.
- (5) The Subcontractor agrees to incorporate the substance of this clause, including subparagraph (c)(5) but excepting subparagraph (c)(1), in all lower-tier subcontracts under the subcontract which exceed \$100,000.

A4, Assignment of Claims

- (a) The subcontract or any right, remedy, or obligation hereunder is assignable in whole or in part by the University to the Government or its designee. Under the Assignment of Claims Act, as amended, 31 U.S.C. 3727, 41 U.S.C. 15 (hereinafter referred to as the Act), the Subcontractor may assign its rights to be paid amounts due or to become due because of the performance of the subcontract to a bank, trust company, or other financial institution, including any federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any bank, trust company, or other financial institution.
- (b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under the subcontract and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of the subcontract.
- (c) The Subcontractor shall not furnish or disclose to any assignee under the subcontract any classified document, including the subcontract or information related to work under the subcontract until the University authorizes such action in writing.

A5, Assignment of Subcontracts

The subcontract or any right, remedy, or obligation arising out of the subcontract is assignable in whole or in part by the University to the Government or its designee. Except as to any payment due hereunder, the subcontract is not assignable by the Subcontractor without the written approval of the University.

A6, Buy American Act - Supplies

- (a) The Buy American Act (41 U.S.C. 10) provides that the Government give preference to domestic end products.

(b) Definitions.

"Components," as used in this clause, means those goods incorporated directly into the end products.

"Domestic end product," as used in this clause, means (1) an unmanufactured end product mined or produced in the United States, or (2) an end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components.

Components of foreign origin of the same class or kind as the products referred to in subparagraph (c)(2) or (c)(3)

of this clause shall be treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.

"End products," as used in this clause means those goods to be acquired for public use under the subcontract.

(c) The Subcontractor shall use only domestic end products, except those

- (1) For use outside the United States;
- (2) That the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities of a satisfactory quality;
- (3) For which the applicable federal agency determines that domestic preference would be inconsistent with the public interest; or
- (4) For which the applicable federal agency determines the cost to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No 10582, dated December 17, 1954, as amended, and Subpart 25.1 of the FAR.)

A7, Clean Air and Water (Incorporated by Reference) (FAR 52.223-2)

(This clause applies if the subcontract is expected to exceed \$100,000.)

A8, Convict Labor (Incorporated by Reference) (FAR 52.222-3)

A9, Covenant Against Contingent Fees

- (a) The Subcontractor warrants that no person or agency has been employed or retained to solicit or obtain the subcontract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the University shall have the right to annul the subcontract without liability or, in its discretion, to deduct from the subcontract price or consideration or otherwise recover the full amount of the contingent fee.
- (b) **Definitions.** *"Bona fide agency,"* as used in this clause means an established commercial or selling agency, maintained by a subcontractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts or University subcontracts nor holds itself out as being able to obtain any Government contract or University subcontract through improper influence.

"Bona fide employee," as used in this clause means a person employed by a subcontractor and subject to the subcontractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts or University subcontracts nor holds out as being able to obtain any Government contracts or University subcontract through improper influence.

"Contingent fee," as used in this clause means any commission, percentage fee, brokerage fee, or other fee that is contingent upon the success that a person or concern has in securing a Government contract or University subcontract.

"Improper influence," as used in this clause means any influence that induces or tends to induce a University or Government employee or officer to give consideration or to act regarding a Government contract or University subcontract on any basis other than the merits of the matter.

- (c) **Lower-tier subcontracts.** Unless otherwise authorized by the University in writing, the Subcontractor shall cause provisions similar to the foregoing to be inserted in all lower-tier subcontracts entered into under this subcontract.

A10, Disputes

(a) *Definitions.* For purposes of this clause:

(1) "Board" means the Energy Board of Contract Appeals that has been established by the Secretary of Energy pursuant to Section g(a)(1) of the Contract Disputes Act of 1978, 41 U.S.C. § 607(a)(1).

(2) "Arbitration decision" means a decision of the Board in an arbitration pursuant to this clause.

(3) "Claim" means a written demand or written assertion by either contracting party seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of a contract term, or other relief arising under or relating to this subcontract. A claim arising under a contract, unlike a claim relating to that contract, is a claim that can be resolved under a contract clause that provides for the relief sought by the claimant.

A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim. The Subcontractor may convert such submission into a claim if it is disputed either as to liability or amount, or is not acted upon in a reasonable time, by demanding a decision by the Procurement Manager.

(4) "Counterclaim" means a claim asserted in a pleading filed with the Energy Board of Contract Appeals in an arbitration proceeding pursuant to this clause which claim arises from the same occurrence or transaction relating to this subcontract that is the subject matter of the opposing party's claim. Counterclaims do not need to be submitted to the Procurement Manager for decision.

(5) "Procurement Manager" means a person designated by the University to decide claims of the Subcontractor or of the University against the Subcontractor.

(6) "Rules of the Board" means the Board's rules promulgated at 10 C.F.R. Part 1023, Subpart A.

(b) *Nature of This Subcontract.* This subcontract is not a Government contract and therefore is not subject to the Contract Disputes Act of 1978 (41 U.S.C. §§ 601-613). The parties agree that the DOE is not a party to this subcontract and is not directly liable to the Subcontractor for claims and disputes within the purview of this clause. Further, the parties agree that, for the purposes of this subcontract, the University is not an agent of the DOE, and that neither the presence of this clause in the subcontract nor provision for arbitration by the Board shall create or imply the existence of privity of contract between the Subcontractor and the DOE.

(c) *Scope of Clause.* The parties agree that the rights and procedures set forth in this clause are the exclusive rights and procedures for the resolution of all claims and disputes arising under, or relating to, this subcontract. The parties shall be bound by an arbitration decision, which shall be enforceable as provided in the Federal Arbitration Act (9 U.S.C. . § 1 et seq.) and the terms of this clause.

(d) Submission of Claims by Subcontractor; Procurement Manager's Decision.

(1) Unless otherwise provided in this subcontract, the Subcontractor must file any claim against the University within 30 calendar days after the Subcontractor knew or should have known the facts giving rise to the claim.

(2) The Subcontractor must submit any claim in writing first to the University's procurement specialist, who shall attempt to resolve the matter within a reasonable amount of time. If the University's procurement specialist does not resolve the claim in a manner satisfactory to the Subcontractor, and the Subcontractor desires to pursue further action, the Subcontractor must submit the claim in writing to the Procurement Manager.

(3) Within sixty days of receipt of the claim, the Procurement Manager must issue a decision or notify the Subcontractor of the time within which a decision will be issued, which shall be reasonable, taking into account such factors as the size and complexity of the claim and the adequacy of the information provided by the Subcontractor in support of the claim. If the Procurement Manager fails to issue a decision on a subcontract claim within the specified period, the Subcontractor may make a demand for arbitration with the Board as if the claim had been denied.

(4) The University's procurement specialist may also submit a claim against the Subcontractor in writing to the Procurement Manager, who shall issue a written decision.

(5) The decision of the Procurement Manager shall be final and conclusive unless the complaining party demands arbitration by the Board in accordance with the terms of this clause.

(e) Demand for Arbitration

If the decision of the Procurement Manager is not satisfactory to a complaining party, and the complaining party desires to pursue further action, the complaining party must, within 45 days after receipt of the Procurement Manager's decision, submit to the Board a written demand for arbitration of the claim. The Board shall arbitrate the claim and any counterclaims in accordance with the Rules of the Board.

(f) Right to a Hearing; Costs. In any arbitration pursuant to this clause, both parties shall be afforded an opportunity to be heard and to present evidence in accordance with the Rules of the Board. Unless the Board orders otherwise, each party shall pay its own costs of prosecuting or defending an arbitration before the Board.

(g) Arbitration Decisions Judicial Review. An arbitration decision shall be final and conclusive unless a party, within one hundred and twenty days after the date of receipt of a copy of the decision, files an action to vacate, modify, or correct the decision pursuant to the Federal Arbitration Act.

(h) Subcontractor Performance Pending Claim Resolution. The Subcontractor shall proceed diligently with performance of this subcontract and shall comply with any decision of the University's procurement specialist or Procurement Manager, pending final resolution of any claim or dispute arising under, or relating to, this subcontract,.

(i) No Other Court Action. No action based upon any claim or dispute arising under, or relating to, this subcontract shall be brought in any court except as provided in this clause.

(i) Choice of Law. This subcontract shall be governed by Federal law as provided in this subparagraph. Irrespective of the place of award, execution or performance, this subcontract shall be construed and interpreted, and its validity determined, according to the Federal common law of government contracts as enunciated and applied to prime government contracts by the Board and Federal courts having appellate jurisdiction over the decisions of the Board rendered pursuant to the Contract Disputes Act of 1978. The Federal Arbitration Act and other Federal statutes (including the Contract Disputes Act of 1978), Federal rules (including the Federal Acquisition Regulation, the Department of Energy Acquisition Regulation, and the rules promulgated by the Board) shall apply in accordance with their respective provisions.

(k) Interest. Interest on amounts adjudicated due and unpaid by a party shall be paid from the date the complaining party files a demand for arbitration with the Board. Interest on claims shall be paid at the rate established by the Secretary of the Treasury of the United States pursuant to Public Law 92-41 (85 Stat. 97) for the Renegotiation Board.

A11, Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era (Incorporated by Reference) (FAR 52.222-37)

(This clause applies if the subcontract exceeds \$10,000.)

A12, Equal Opportunity (Incorporated by Reference) (FAR 52.222-26)

A13, Foreign Travel

(a) Foreign travel, when charged directly, shall be subject to the prior approval of the DOE Contracting Officer for each separate trip regardless of whether funds for such travel are contained in an approved budget. Foreign travel is defined as any travel outside of Canada and the United States and its territories and possessions.

(b) Requests for approval shall be submitted at least 50 days prior to the planned departure date, be on a

Request for Approval of Foreign Travel form, and when applicable, include a modification for proposed Soviet-bloc travel.

- (c) Failure to obtain prior approval for foreign travel shall be cause for all costs relating to an unapproved trip being unallowable under this subcontract.
- (d) If personal time is taken in a foreign location under an approved trip, and such personal time exceeds the business time during the trip, all costs for such trip will be unallowable under this subcontract.
- (e) Reimbursement of travel costs shall be subject to limitations established by the United States Department of State for the period during which a trip is made.

A14, Hazardous Material Identification and Material Safety Data

- (a) The Subcontractor agrees to submit a Material Safety Data Sheet (Department of Labor Form OSHA-20), as prescribed in Federal Standard No. 313B, for all hazardous material, whether or not listed in Appendix A to that Standard. This obligation applies to all materials delivered under the subcontract which will involve exposure to hazardous materials or items containing these materials.
- (b) **Definition.** "*Hazardous material*," as used in this clause, is defined in Federal Standard No 313B, in effect on the date of the subcontract.
- (c) Neither the requirements of this clause nor any act or failure to act by the University shall relieve the Subcontractor of any responsibility or liability for the safety of Government, University, Subcontractor, lower-tier subcontractor personnel or property.
- (d) Nothing contained in this clause shall relieve the Subcontractor from complying with applicable Federal, state, and local laws, codes, ordinances, and regulations (including the obtaining of licenses and permits) in connection with hazardous material.
- (e) The University's rights in data furnished under the subcontract with respect to hazardous materials are as follows:
 - (1) To use, duplicate, and disclose any data to which this clause is applicable. The purposes of this right are to (i) apprise personnel of the hazards to which they may be exposed in using, handling, packaging, transporting, or disposing of hazardous materials; (ii) obtain medical treatment for those affected by the material; and (iii) have others use, duplicate, and disclose the data for the University for these purposes.
 - (2) To use, duplicate, and disclose data furnished under this clause, in accordance with subparagraph (e)(1) above, in precedence over any other clause of the subcontract providing for rights in data.
 - (3) That the University is not precluded from using similar or identical data acquired from other sources.
 - (4) That the data shall not be duplicated, disclosed, or released outside the University or the Government, in whole or in part, for any acquisition or manufacturing purpose, if the following legend is marked on each piece of data to which this clause applies:

"These data are furnished under University of California, Los Alamos National Laboratory Subcontract No. _____ and shall not be used, duplicated, or disclosed for any acquisition or manufacturing purpose without the permission of (*the Subcontractor*). This legend shall be marked on any reproduction of this data."

(End of legend)

- (5) That the Subcontractor shall not place the legend or any other restrictive legend on any data that (i) the Subcontractor or any lower-tier subcontractor previously delivered to the University without limitations or (ii) should be delivered without limitation under the conditions specified in the Federal Acquisition Regulation in the clause at 52.227-14, Rights in Data - General.

- (f) The Subcontractor shall insert this clause, including this paragraph (f), with appropriate changes in the designation of the parties, in lower-tier subcontracts (including purchase designations or purchase orders) under the subcontract involving hazardous materials.

A15, Limitation on Payments to Influence Certain Federal Transactions

(This clause applies if the subcontracts exceeds \$100,000.)

(a) Definitions.

"Agency," as used in this clause, means executive agency as defined in 2.101.

"Covered Federal action," as used in this clause, means any of the following Federal actions:

- (a) The awarding of any Federal contract.
- (b) The making of any Federal grant.
- (c) The making of any Federal loan.
- (d) The entering into of any cooperative agreement.
- (e) The extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

"Indian tribe" and "tribal organization," as used in this clause, have the meaning provided in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450B) and include Alaskan Natives.

"Influencing or attempting to influence," as used in this clause, means making, with the intent to influence, any communication to or appearance before an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any covered Federal action.

"Local government," as used in this clause, means a unit of government in a State and, if chartered, established, or otherwise recognized by a State for the performance of a governmental duty, including a local public authority, a special district, an intrastate district, a council of governments, a sponsor group representative organization, and any other instrumentality of a local government.

"Officer or employee of an agency," as used in this clause, includes the following individuals who are employed by an agency:

- (a) An individual who is appointed to a position in the Government under title 5, United States Code, including a position under a temporary appointment.
- (b) A member of the uniformed services, as defined in subsection 101(3), title 37, United States Code.
- (c) A special Government employee, as defined in section 202, title 18, United States Code.
- (d) An individual who is a member of a Federal advisory committee, as defined by the Federal Advisory Committee Act, title 5, United States Code, appendix 2.

"Person," as used in this clause, means an individual, corporation, company, association, authority, firm, partnership, society, State, and local government, regardless of whether such entity is operated for profit, or not for profit. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Reasonable compensation," as used in this clause, means, with respect to a regularly employed officer or employee of any person, compensation that is consistent with the normal compensation for such officer or employee for work that is not furnished to, not funded by, or not furnished in cooperation with the Federal Government.

"Reasonable payment," as used in this clause, means, with respect to professional and other technical

services, a payment in an amount that is consistent with the amount normally paid for such services in the private sector.

"Recipient," as used in this clause, includes the Subcontractor and all lower-tier subcontractors. This term excludes an Indian tribe, tribal organization, or any other Indian organization with respect to expenditures specifically permitted by other Federal law.

"Regularly employed," as used in this clause, means with respect to an officer or employee of a person requesting or receiving a Federal contract, an officer or employee who is employed by such person for at least 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person for receipt of such contract. An officer or employee who is employed by such person for less than 130 working days within 1 year immediately preceding the date of the submission that initiates agency consideration of such person shall be considered to be regularly employed as soon as he or she is employed by such person for 130 working days.

"State," as used in this clause, means a State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, a territory or possession of the United States, an agency or instrumentality of a State, and multi-State, regional, or interstate entity having governmental duties and powers.

(b) Prohibitions.

(1) Section 1352 of title 31, United States Code, among other things, prohibits a recipient of a Federal contract, grant, loan, or cooperative agreement from using appropriated funds to pay any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any of the following covered Federal actions: the awarding of any Federal contract; the making of any Federal grant; the making of any Federal loan; the entering into of any cooperative agreement; or the modification of any Federal contract, grant, loan, or cooperative agreement.

(2) The Act also requires Subcontractors to furnish a disclosure if any funds other than Federal appropriated funds (including profit or fee received under a covered Federal transaction) have been paid, or will be paid, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress an officer or employee of Congress, or an employee of a Member of Congress in connection with a Federal contract, grant, loan, or cooperative agreement.

(3) The prohibitions of the Act do not apply under the following conditions:

(i) Agency and legislative liaison by own employees.

(A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of a payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action if the payment is for agency and legislative liaison activities not directly related to a covered Federal action.

(B) For purposes of subdivision (b)(3)(i)(A) of this clause, providing any information specifically requested by an agency or Congress is permitted at any time.

(C) The following agency and legislative liaison activities are permitted at any time where they are related to a specific solicitation for any covered Federal action:

(1) Discussing with an agency the qualities and characteristics (including individual demonstrations) of the person's products or services, conditions or terms of sale, and service capabilities.

(2) Technical discussions and other activities regarding the application or adaptation of the person's products or services for an agency's use.

(D) The following agency and legislative liaison activities are permitted at any time where they are not related to a specific solicitation for any covered Federal action:

(1) Providing any information not specifically requested but necessary for an agency to make an informed decision about initiation of a covered Federal action;

- (2) Technical discussions regarding the preparation of an unsolicited proposal prior to its official submission; and
 - (3) Capability presentations by persons seeking awards from an agency pursuant to the provisions of the Small Business Act, as amended by Pub. L. 95.507, and subsequent amendments.
- (E) Only those services expressly authorized by subdivision (b)(3)(i)(A) of this clause are permitted under this clause.

(ii) Professional and technical services.

- (A) The prohibition on the use of appropriated funds, in subparagraph (b)(1) of this clause, does not apply in the case of
- (1) A payment of reasonable compensation made to an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal, amendment, or modification of a covered Federal action, if payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid, proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action.
 - (2) Any reasonable payment to a person, other than an officer or employee of a person requesting or receiving a covered Federal action or an extension, continuation, renewal amendment, or modification of a covered Federal action if the payment is for professional or technical services rendered directly in the preparation, submission, or negotiation of any bid proposal, or application for that Federal action or for meeting requirements imposed by or pursuant to law as a condition for receiving that Federal action. Persons other than officers or employees of a person requesting or receiving a covered Federal action include consultants and trade associations.
- (B) For purposes of subdivision (b)(3)(ii)(A) of this clause, "professional and technical services" shall be limited to advice and analysis directly applying any professional or technical discipline. For example, drafting of a legal document accompanying a bid or proposal by a lawyer is allowable. Similarly, technical advice provided by an engineer on the performance or operational capability of a piece of equipment rendered directly in the negotiation of a contract is allowable. However, communications with the intent to influence made by a professional (such as licensed lawyer) or a technical person (such as a licensed accountant) are not allowable under this section unless they provide advice and analysis directly applying their professional or technical expertise and unless the advice or analysis is rendered directly and solely in the preparation, submission, or negotiation of a covered Federal action. Thus, for example, communications with the intent to influence made by a lawyer that do not provide legal advice or analysis directly and solely related to the legal aspects of his or her client's proposal, but generally advocate one proposal over another are not allowable under this section because the lawyer is not providing professional legal services. Similarly, communication with the intent to influence made by an engineer providing an engineering analysis prior to the preparation or submission of a bid or proposal are not allowable under this section since the engineer is providing technical services but not directly in the preparation, submission or negotiation of a covered Federal action.
- (C) Requirements imposed by or pursuant to law as a condition for receiving a covered Federal award include those required by law or regulation and any other requirements in the actual award documents.
- (D) Only those services expressly authorized by subdivisions (b)(3)(ii)(A)(1) and (2) of this clause are permitted under this clause.
- (E) The reporting requirements of FAR 3.803(a) shall not apply with respect to payments of reasonable compensation made to regularly employed officers or employees of a person.

(iii) **Disclosure.**

- (A) The Subcontractor who requests or receives from an agency a University subcontract shall file with that agency a disclosure form, OMB standard form LLL, Disclosure of Lobbying Activities, if such person has made or has agreed to make any payment using nonappropriated funds (to include profits from any covered Federal action), which would be prohibited under subparagraph (c)(1) of this clause. An event that materially affects the accuracy of the information reported includes
- (B) The Subcontractor shall file a disclosure form at the end of each calendar quarter in which there occurs any event that materially affects the accuracy of the information contained in any disclosure form previously filed by such person under subparagraph (c)(1) of this clause. An event that materially affects the accuracy of the information reported includes-
 - (1) A cumulative increase of \$25,000 or more in the amount paid or expected to be paid for influencing or attempting to influence a covered Federal action; or
 - (2) A change in the person(s) or individuals(s) influencing or attempting to influence a covered Federal action; or
 - (3) A change in the officer(s), employee(s), or Member(s) contacted to influence or attempt to influence a covered Federal action.
- (C) The Subcontractor shall require the submittal of a certification, and if required, a disclosure form by any person who requests or receives any lower-tier subcontract exceeding \$100,000 under the subcontract.
- (D) All lower-tier subcontractor disclosure forms (but not certifications) shall be forwarded from tier to tier until received by the prime Subcontractor. The prime Subcontractor shall submit all disclosures to the Contract Administrator at the end of the calendar quarter in which the disclosure form is submitted by the lower-tier subcontractor. Each lower-tier subcontractor certification shall be retained in the subcontract file of the awarding Subcontractor

(iv) **Agreement.** The Subcontractor agrees not to make any payment prohibited by this clause.

(v) **Penalties.**

- (A) Any person who makes an expenditure prohibited under paragraph (a) of this clause or who fails to file or amend the disclosure form to be filed or amended by paragraph (b) of this clause shall be subject to civil penalties as provided by 31 U.S.C. 1352. An imposition of a civil penalty does not prevent the Government from seeking any other remedy that may be applicable.
- (B) Subcontractors may rely without liability on the representation made by their lower-tier subcontractors in the certification and disclosure form.

(vi) **Cost allowability.** Nothing in this clause makes allowable or reasonable any costs which would otherwise be unallowable or unreasonable. Conversely, costs made specifically unallowable by the requirements in this clause will not be made allowable under any other provision.

A16, Notice and Assistance Regarding Patent and Copyright Infringement

(This clause applies if the subcontract exceeds \$100,000.)

- (a) The Subcontractor shall report to the Government, through the University, promptly and in reasonable written detail, each notice or claim of patent or copyright infringement, based upon the performance of the subcontract, of which the Subcontractor has knowledge.
- (b) In the event of any claim or suit against the University or the Government on account of any alleged

patent or copyright infringement arising out of the performance of the subcontract or out of the use of any goods furnished or work or services performed under the subcontract, the Subcontractor shall furnish to the University, when requested by the University, all evidence and information in possession of the Subcontractor pertaining to such suit or claim. Such evidence and information shall be furnished at the expense of the Government except where the Subcontractor has agreed to indemnify the Government.

- (c) The Subcontractor agrees to include, and require inclusion of, this clause in all lower-tier subcontracts at any tier for goods or services (including construction and architect-engineer subcontracts and those for goods, models, samples, or design or testing services) expected to exceed the simplified acquisition threshold at FAR 2.101.

A17, Notice of Labor Disputes

- (a) If the Subcontractor has knowledge that any actual or potential labor dispute is delaying or threatens to delay the timely performance of the subcontract, the Subcontractor shall immediately give notice, including all relevant information, to the University.
- (b) The Subcontractor agrees to insert the substance of this clause, including this paragraph (b), in any lower-tier subcontract to which a labor dispute may delay the timely performance of the subcontract; except that each subcontract shall provide that if its timely performance is delayed or threatened by delay by any actual or potential labor dispute, the subcontractor shall immediately notify the next higher tier subcontractor or the Subcontractor, as the case may be, of all relevant information concerning the dispute.

A18, Officials Not to Benefit

No member of or delegate to Congress or resident commissioner shall be admitted to any share or part of the subcontract, or to any benefit arising from it. However, this clause does not apply to the subcontract to the extent that the subcontract is made with a corporation for the corporation's general benefit.

A19, Preference for Privately Owned U.S.- Flag Commercial Vessels

(a) The Cargo Preference Act of 1954 (46 U.S.C. 1241(b)) requires that Federal departments and agencies shall transport in privately owned U.S.-flag commercial vessels at least 50 percent of the gross tonnage of equipment, materials, or commodities that may be transported in ocean vessels (computed separately for dry bulk carriers, dry cargo liners, and tankers). Such transportation shall be accomplished when any equipment, materials, or commodities, located within or outside the United States, that may be transported by ocean vessel are -

- (1) Acquired for a U.S. Government agency account;
- (2) Furnished to, or for account of, any foreign nation without provision for reimbursement;
- (3) Furnished for the account of a foreign nation in connection with which the United States advances funds or credits, or guarantees the convertibility of foreign currencies; or
- (4) Acquired with advance of funds, loans, or guaranties made by or on behalf of the United States.

(b) The Subcontractor shall use privately owned U.S.-flag commercial vessels to ship at least 50 percent of the gross tonnage involved under the subcontract (computed separately for dry bulk carriers, dry cargo liners, and tankers) whenever shipping any equipment, materials, or commodities under the conditions set forth in paragraph (a) above, to the extent that such vessels are available at rates that are fair and reasonable for privately owned U.S.-flag commercial vessels.

- (c) (1) The Subcontractor shall submit through the University, one legible copy of a rated on-board ocean bill of lading for each shipment to both (i) the Contracting Officer, and (ii) the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590.
- (2) The Subcontractor shall furnish these bill of lading copies (i) within 20 working days of the date of loading for shipments originating in the United States, or (ii) within 30 working days for shipments originating outside the United States. Each bill of lading copy shall contain the following information:

- (A) Sponsoring U.S. Government agency.
 - (B) Name of vessel.
 - (C) Vessel flag of registry.
 - (D) Date of loading.
 - (E) Port of loading.
 - (F) Port of final discharge.
 - (G) Description of commodity.
 - (H) Gross weight in pounds and cubic feet if available.
 - (I) Total ocean freight revenue in U.S. dollars.
- (d) Except for subcontracts at or below the simplified acquisition threshold, the Subcontractor shall insert the substance of this clause, including this paragraph (d), in all lower-tier subcontracts or purchase orders under this subcontract.
- (e) The requirement in paragraph (a) does not apply to —
- (1) Subcontracts at or below the simplified acquisition threshold;
 - (2) Cargoes carried in vessels of the Panama Canal Commission or as required or authorized by law or treaty;
 - (3) Ocean transportation between foreign countries of supplies purchased with foreign currencies made available, or derived from funds that are made available under Foreign Assistance Act of 1961 (22 U.S.C. 2353; and
 - (4) Shipments of classified supplies when the classification prohibits the use of non-Government vessels.
- (f) Guidance regarding fair and reasonable rates for privately owned U.S.-flag commercial vessels may be obtained from the Division of National Cargo, Office of Market Development, Maritime Administration, U.S. Department of Transportation, Washington, DC 20590, Phone: 202-366-4610.

A20, Preference for U.S. - Flag Air Carriers

- (a) **Definitions.** *"International air transportation,"* as used in this clause, means transportation by air between a place in the United States and a place outside the United States or between two places both of which are outside the United States.
- "United States,"* as used in this clause, means the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, and possessions of the United States.
- "U.S.-flag air carrier,"* as used in this clause, means an air carrier holding a certificate under section 401 of the Federal Aviation Act of 1958 (49 U.S.C. 1371).
- (b) Section 5 of the International Air Transportation Fair Competitive Practices Act of 1974 (49 U.S.C. 1517) (Fly American Act) requires that all Federal agencies and Government contractors and University subcontractors use U.S.- flag air carriers for U.S. Government-financed international air transportation of personnel (and their personal effects) or property, to the extent that service by those carriers is available. It requires the Comptroller General of the United States, in the absence of satisfactory proof of the necessity for foreign-flag air transportation, to disallow expenditures from funds, appropriated or otherwise established for the account of the United States, for international air transportation secured aboard a foreign-flag air carrier if a U.S.-flag air carrier is available to provide such services.
- (c) The Subcontractor agrees, in performing work under this subcontract, to use U.S.-flag air carriers for international air transportation of personnel (and their personal effects) or property to the extent that service by those carriers is available.

- (d) In the event that the Subcontractor selects a carrier other than a U.S.-flag air carrier for international air transportation, the Subcontractor shall include a certification on vouchers involving such transportation essentially as follows:

Certification of Unavailability of U.S.-Flag Air Carriers

I hereby certify that international air transportation of persons (and their personal effects) or property by U.S.-flag air carrier was not available or it was necessary to use foreign-flag air carrier service for the following reasons (see section 47.403 of the FAR). States reasons:...

(End of Certification).

A21, Printing

- (a) To the extent that duplicating or printing services may be required in the performance of this subcontract, the Subcontractor shall provide or secure such services in accordance with the Government Printing and Binding Regulations, Title 44 of the U.S. Code, and DOE Directives relative thereto.
- (b) The term "*Printing*" includes the following processes: composition, platemaking, presswork, binding, microform publishing, or the end items produced by such processes. Provided, however, that performance of a requirement under this subcontract involving the duplication of less than 5,000 copies of a single page, or no more than 25,000 units in the aggregate of multiple pages, will not be deemed to be printing.
- (c) Printing services not obtained in compliance with this guidance shall result in the cost of such printing being disallowed.
- (d) In all lower-tier subcontracts hereunder which require printing (as that term is defined in Title I of the U.S. Government Printing and Binding Regulations), the Subcontractor shall include a provision substantially the same as this clause.

A22, Priorities and Allocations

- (a) The Subcontractor shall follow the provisions of the Defense Priorities and Allocation System (DPAS) Regulation (15 CFR 350) in obtaining controlled materials and other products and materials needed for performance of the subcontract.
- (b) A program or project under this subcontract may be eligible for priorities and allocations support as provided for by Section 101(c) of the Defense Priorities Act of 1950, as amended by the Energy Policy and Conservation Act (Public Law 94-163, 42 U.S.C. 6201 et seq.) if it is determined that its purpose is to maximize domestic energy supplies. Eligibility is dependent on an executive decision on a case-by-case basis with the decision being jointly made by the Department of Energy and Commerce.

A23, Reporting of Royalties

If any royalty payments are reflected in the subcontract cost to the University, the Subcontractor agrees to report in writing to the Patent Counsel (with notification by Patent Counsel to the University) during the performance of this subcontract and prior to its completion or final settlement, the amount of any royalties or other payments paid or to be paid by it directly to others in connection with the performance of this subcontract together with the names and addresses of licensors to whom such payments are made and either the patent numbers involved or such other information as shall permit the identification of the patents or other basis on which the royalties are to be paid. The approval of DOE of any individual payments or royalties shall not stop the University at any time from contesting the enforceability, validity or scope of, or title to, any patent under which a royalty or payments are made. The provisions of this clause, appropriately modified as to parties, shall be included in all lower-tier subcontracts that exceed \$25,000 unless other wise approved by the University.

A24, Required Sources for Jewel Bearings and Related Items

- (a) This clause applies only if the supplies to be furnished under the subcontract contain jewel bearings or related items; the supplies are to be used in the United States, its possessions and Puerto Rico; and the total price of the subcontract exceeds the small purchase dollar limitation set forth in Part 13 of the FAR.
- (b) **Definitions.** "*Jewel bearing*," as used in this clause, means a piece of synthetic corundum (sapphire or ruby) of any shape, except a phonograph needle, that has one or more polished surfaces to provide supporting surfaces or low-friction contact areas for revolving, oscillating, or sliding parts in an instrument, mechanism, subassembly, or part. A jewel bearing may be unmounted or may be mounted into a ring or bushing. Examples are watch holes - olive, watch hole - straight, pallet stones, roller jewels (jewel pins), endstones (caps), vee (cone) jewels, instrument rings, cups, and double cups.

"*Plant*," as used in this clause, means the Government-owned, contractor-operated William Langer Plant, Rolla, North Dakota 58367 (Phone: 701-477-3193).

"*Price List*," as used in this clause, means the U.S. Government Jewel Bearing Price List, published periodically by the General Services Administration for jewel bearings produced by the Plant.

"*Related Item*," as used in this clause, means a piece of synthetic corundum (sapphire or ruby), other than a jewel bearing, that (1) is made from material produced by the Verneuil flame fusion process, (2) has a geometric shape up to maximum of 1 inch in any dimension, (3) requires extremely close tolerances and highly polished surfaces identical to those involved in manufacturing jewel bearings, and (4) is either mounted in a retaining or supporting structure or unmounted. Examples are window, nozzle, guide, knife edge, knife edge plate, insulator domed pin, slotted insulator, sphere, ring gauge, spacer, disc, valve seat, rod, vee groove, D-shaped insulator, and notched plate.

- (c) All jewel bearings and related items required for the supplies to be furnished under the subcontract (or an equal quantity of the same type, size, and tolerances) shall be acquired from the following sources: jewel bearings from the Plant, unless the Plant declines or rejects the order; and related items from domestic manufacturers, including the Plant, if the items can be obtained from those sources. Sources other than the foregoing may be used if the foregoing sources decline or reject the order.
- (1) Orders may be placed with the Plant for individual contracts, for a combination of contracts, or for stock. If the order is for an individual subcontract, the prime contract number shall be placed on it.
- (2) Orders, and any supplements to orders, for items listed in the price list shall refer to the most recent price list and its date.
- (3) Requests for quotations for items not listed in the price list should be accompanied by drawings and forwarded to the Plant as soon as possible to ensure prompt quotation or rejection of the order.
- (d) At its option, the Plant may decline or reject all or part of a Subcontractor's or subcontractor's order. If the order is declined or rejected, the Subcontractor shall notify the contract administration office cognizant of the contract promptly in writing, enclosing a copy of the rejection notice. Unless the declination or rejection has been caused by current excessive and overdue Subcontractor indebtedness to the Plant as determined by the Plant, the Contracting Officer shall evaluate the impact and make an equitable adjustment in the subcontract price, in the delivery schedule, or in both, if one is warranted. This procedure shall also apply to orders for related items rejected by any other domestic manufacturer.
- (e) The Subcontractor agrees to insert this clause, including this paragraph (e), and the prime contract number in every lower-tier subcontract unless the Subcontractor has positive knowledge that the subassembly, component, or part being purchased does not contain jewel bearings or related items.

A25, Security

- (a) **Responsibility.** It is the Subcontractor's duty to safeguard all classified information, special nuclear material, and other DOE property. The Subcontractor shall, in accordance with DOE security regulations and requirements, be

responsible for safeguarding all classified information, and protecting against sabotage, espionage, loss and theft, the classified documents and material in the Subcontractor's possession in connection with the performance of work under this subcontract. Except as otherwise expressly provided in this subcontract, the Subcontractor shall, upon completion or termination of this subcontract, transmit to the University any classified matter in the possession of the Subcontractor or any person under the Subcontractor's control in connection with performance of this subcontract. If retention by the Subcontractor of any classified matter is required after the completion or termination of the subcontract and such retention is approved by the University, the Subcontractor will complete a certificate of possession to be furnished to the University specifying the classified matter to be retained. The certification shall identify the items and types or categories of matter retained, the conditions governing the retention of the matter, and the period of retention, if known. If the retention is approved by the University, the security provisions of the subcontract will continue to be applicable to the matter retained. Special nuclear material will not be retained after the completion or termination of the subcontract.

- (b) *Regulations.* The Subcontractor agrees to conform to all security regulations and requirements of DOE.
- (c) *Definition of classified information.* The term "classified information" means Restricted Data, Formerly Restricted Data, or National Security Information.
- (d) *Definition of restricted data.* The term "*Restricted Data*" means all data concerning (1) design, manufacture, or utilization of atomic weapons; (2) the production of special nuclear material; or (3) the use of special nuclear material in the production of energy, but shall not include data declassified or removed from the Restricted Data category pursuant to Section 142 of the Atomic Energy Act of 1954, as amended.
- (e) *Definition of formerly restricted data.* The term "*Formerly Restricted Data*" means all data removed from the Restricted Data category under section 142 d. of the Atomic Energy Act of 1954, as amended.
- (f) *Definition of National Security Information.* The term "*National Security Information*" means any information or material, regardless of its physical form or characteristics, that is owned by, produced for or by, or is under the control of the United States Government, that has been determined pursuant to Executive Order 12356 or prior Orders to require protection against unauthorized disclosure, and which is so designated.
- (g) *Definition of Special Nuclear Material (SNM).* SNM means: (1) plutonium, uranium enriched in the isotope 233 or in the isotope 235, and any other material which pursuant to the provisions of Section 51 of the Atomic Energy Act of 1954, as amended, has been detained to be special nuclear material, but does not include source material; or (2) any material artificially enriched by any of the foregoing, but does not include source material.
- (h) *Security clearance of personnel.* The Subcontractor shall not permit any individual to have access to any classified information, except in accordance with the Atomic Energy Act of 1954, as amended, Executive Order 12356, and the DOE's regulations or requirements applicable to the particular level and category of classified information to which access is required.
- (i) *Criminal liability.* It is understood that disclosure of any classified information relating to the work or services ordered hereunder to any person not entitled to receive it, or failure to safeguard any classified information that may come to the Subcontractor or any person under the Subcontractor's control in connection with work under the subcontract, may subject the Subcontractor, its agents, employees, or lower-tier subcontractors to criminal liability under the laws of the United States. (See the Atomic Energy Act of 1954, as amended, 42 U.S.C. 2011 et seq.; 18 U.S.C. 793 and 794; and E.O. 12356.)
- (j) *Lower-tier Subcontracts and purchase orders.* Except as otherwise authorized in writing by the University, the contractor shall insert provisions similar to the foregoing in all lower-tier subcontracts and purchase orders under the subcontract.

A26, Operations Security Program

The Subcontractor agrees to implement and sustain a DOE Operations Security (OPSEC) Program in accordance with the provisions of the Laboratory's OPSEC Guidance for LANL Contractors Manual when awarded subcontracts involving access to and protection of classified or sensitive information, nuclear materials or other safeguards and security interests.

A27, Security Procedures

(a) Badging

All employees of the Subcontractor, employees of lower-tier subcontractors, and/or consultants to the Subcontractor or lower-tier subcontractors (hereinafter called Subcontract Personnel) performing work on-site at Los Alamos National Laboratory for ten or more consecutive work days must obtain a badge issued by the Laboratory Badge Office (FSS-15). Badges will Uncleared, L Cleared, or Q Cleared as appropriate for an individual's level of security clearance and the access needed to perform the requirements of the subcontract. If access is required for performance of the subcontract, approval of Foreign Ownership, Control, or Influence for the subcontract must have been received by the Laboratory prior to cleared badges being issued. The Subcontractor shall make requests for badges to be issued to the University Technical Representative for submittal to FSS-15. Requests for issuance of Cleared badges must include the information listed in paragraph (c) below.

(b) Security Access

Access to security areas of the Laboratory or to classified information will require individuals to possess an L or Q Clearance and to have been issued a badge by the Laboratory Badge Office.

(c) Clearances

Requests for initiation or transfer of L or Q Clearances under the subcontract shall be made to the University Technical Representative for submittal to FSS-15 through the University Contract Administrator. Information listed below must be included in each request.

- Full name
- Date of Birth
- Social Security Number
- Job Title
- Employer's name and address
- Personnel officer or point of contact and telephone number for individual's employer.

Each of the following questions must be answered:

- What service will the individual perform that necessitates possession of a clearance?
- Does the individual require access to classified information/materials?
- With whom will the individual interact within security areas?
- Why the service cannot be performed outside of security areas or under escort.

Requests for transfer of a security clearance must include the following information:

- Name of installation where the clearance was or is currently active.
- DOE File Number (if available).
- Date clearance was granted.

(d) Escorted Entry to Security Areas

Escorts for entry of uncleared personnel to security areas may be obtained from the Laboratory's contract labor subcontractor for secretarial and administrative support, whose name may be obtained from the University Contract Administrator. Payment for escort services obtained through this procedure shall be the responsibility of the Subcontractor.

(e) Responsibilities of the Subcontractor

All badges issued by the Laboratory Badge Office to Subcontract Personnel are the property of the U.S. Government. The Subcontractor is responsible and accountable for all badges issued to Subcontract Personnel for performance of the subcontract.

If a badge is lost or stolen, the Subcontractor shall immediately notify the Laboratory Badge Office orally with a follow-up written notification.

The Subcontractor shall conduct or have conducted by its lower-tier subcontractors, for each individual who has been issued a cleared badge, a Security Termination Briefing and shall obtain a Security Termination Statement, DOE Form 5631.29:

1. Upon termination of employment ,
2. When a clearance is no longer required to perform subcontract requirements, or
3. Upon completion of work called for under the subcontract.

The Subcontractor shall retrieve all badges, cleared and uncleared, including expired badges, issued for performance of the subcontract and return them to: Los Alamos National Laboratory, Personnel and Information Security Group, FSS-15, P.O. Box 1663, Mail Stop B236, Los Alamos, NM 87545 within 10 working days from:

1. The date of termination of employment of an individual classified as Subcontractor Personnel,
2. The date upon which it is determined that a clearance is no longer required for performance of subcontract requirements,
3. The date of removal/transfer of an individual from performing work under the subcontract, or
4. The date of completion or termination of work under the subcontract.

(f) Withholding of Payment

Final payment under the subcontract shall not be made by the University until all badges issued under the auspices of the subcontract have been either returned to FSS-15 or have been accounted for by the Subcontractor to the satisfaction of FSS-15.